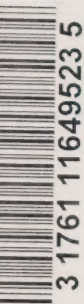


CA20N
H50
ASS



annual report

197



ontario hospital services commission





Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

<https://archive.org/details/31761116495235>



ONTARIO HOSPITAL SERVICES COMMISSION

OFFICE OF THE CHAIRMAN

2195 YONGE STREET, TORONTO 7

HONOURABLE A. B. R. LAWRENCE, Q.C.
MINISTER OF HEALTH

Honourable Sir:

On behalf of the Ontario Hospital Services Commission it is my pleasure to present the 1970 Annual Report of operations. It will be followed shortly by a Statistical Supplement giving extensive detail on the functioning of the Plan in individual hospitals and facilities approved by the Commission.

There has been a continued increase in the number of beds available in hospitals across the Province brought about by the growth in their service areas. The present figures show that there was a total of 6.6 beds per thousand eligible population available at the end of 1970 which is an increase of 885 beds over the previous year. It is pleasing to note that the length of stay in active treatment hospitals has decreased slightly from the higher level in 1969.

The Commission has directed a great deal of its activity towards containing the costs of hospital operation and capital construction within the specific guidelines approved by the Province. The introduction of the system of global budgeting was combined with an incentive programme in 1970 and it is hoped that as both become more familiar, the benefits from the incentives and degree of autonomy given hospitals will result in further savings and improved production without detriment to patient care.

In 1970 a total of \$915,877,762 was paid for operating costs in all types of hospitals, including payments to mental hospitals of \$156,251,234 and to tuberculosis sanatoria of \$3,874,902. In February, 1970 the Federal Government discontinued all construction grants to hospitals except for payments being made from the Health Resources Fund. As a result the Federal share has been absorbed by the Province within the regular formula. During the fiscal year ending March 31, 1971, the Province paid a total of \$77,950,253 in construction grants and loans approved to public hospitals.

Construction is well advanced on the McMaster University Medical Centre at Hamilton and the University Hospital at London. It is anticipated that both facilities will be in full operation by the Fall of 1972.

The introduction of the Ambulance Programme, which was somewhat experimental in 1969, became a fully effective programme in 1970 and has provided a beneficial service to the citizens of the Province and removed many of the problems which were inherent in the former system. As you will be aware, the cost of this programme is borne entirely by the Province and is not shared by the Federal Government. Considerable research is being undertaken with this programme to ensure a more improved service in the future.

During the course of the year, the Home Care Programme originally introduced by the Commission was transferred to the Department of Health, Public Health Division, because of the affinity of this department's work with the Home Care Programme itself. This co-operative arrangement has continued to permit the better utilization of hospital beds. The Province bears the cost of this programme without Federal Government participation.

The year under review continued to show progress and increased service to the public under the Hospital Plan with the achievement of many goals.

Once again I would like to take this opportunity to express the Commission's appreciation for the co-operation and assistance of the hospitals, the medical profession and their respective Associations. The helpful service received from numerous government departments is also gratefully acknowledged.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'S. W. Martin', with a stylized flourish at the end.

S.W. Martin, F.C.I.S., F.A.C.H.A.,
Chairman and General Manager.

E.P. McGavin, C.A., **Commissioner of Finance**

D.J. Twiss, M.D., **Commissioner of Hospitals**

P.A. Dick, **Commissioner**

J.P. Harshman, M.D., **Commissioner**

D.H. Morrow, M.P.P., **Commissioner**

Right Reverend B.F. Pappin, D.P., **Commissioner**

T.C. Grice, **Secretary to the Commission**

July 23, 1971.

CONTENTS

PAGE

LETTER OF TRANSMITTAL

Comparative Highlights	1
------------------------------	---

Report of the Commission

Insured Population	3
--------------------------	---

Volume of Hospital Service	4
----------------------------------	---

In-Patient	4
------------------	---

Out-patient	5
-------------------	---

Ambulance Service	5
-------------------------	---

Hospital Planning	5
-------------------------	---

Hospital Construction	5
-----------------------------	---

Hospital Accommodation	6
------------------------------	---

Hospital Planning Councils	6
----------------------------------	---

Educational and Training Facilities	9
---	---

Health Science Centres	9
------------------------------	---

Nursing Education	9
-------------------------	---

Hospital Grants and Loans	10
---------------------------------	----

Central Laundries	10
-------------------------	----

Financial Operations	13
----------------------------	----

Ontario Hospital Services Commission Financial Statements	15
---	----

Ontario Hospital Services Commission Expenditures for Ten Years	17
---	----

Tables

Volume of Hospital Care Given in Ontario, 1970	19
--	----

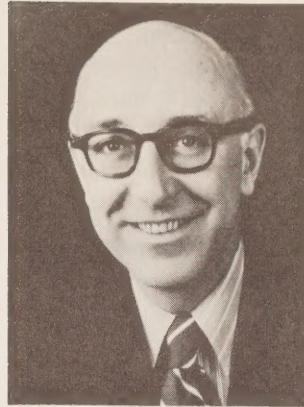
Trends in Public Hospital Care, 1968 to 1970	21
--	----

Schedule of Total Contributions for Hospital Care and Related Services	22
--	----

COMPARATIVE HIGHLIGHTS

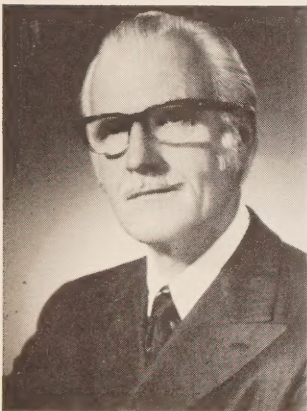
	1970	1969
Total Expenditure	\$761,645,351	\$677,150,922
Total Income	\$290,995,672	\$280,727,058
Total Government Contributions	\$470,649,679	\$396,423,864
Total Insured	7,633,524	7,387,460
Total Beds	50,189	49,304
Total Patients Under Care	1,445,311	1,352,039
Average Length of Stay in Days	12.0	12.7

MINISTER OF HEALTH



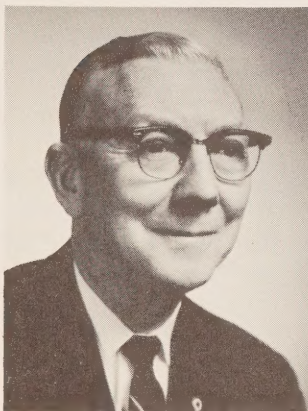
THE HON. A. B. R. LAWRENCE

EXECUTIVE COMMITTEE



S. W. MARTIN

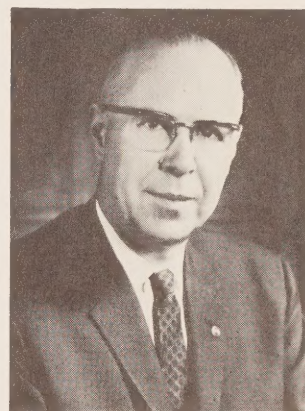
Chairman and General Manager



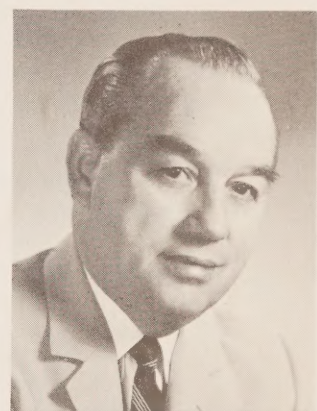
D. J. TWISS, M.D.

Commissioner of Hospitals

ADVISORY COMMISSIONERS



P. A. DICK



D. H. MORROW, M.P.P.



E. P. McGAVIN

Commissioner of Finance

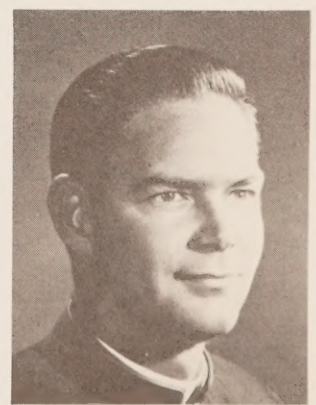


T. C. GRICE

Secretary to the Commission



J. P. HARSHMAN, M.D.



MSGR. B. F. PAPPIN

REPORT OF THE COMMISSION

The Ontario Hospital Services Commission was constituted a corporation without share capital under the Hospital Services Commission Act in 1956 and since that time has administered the Hospital Insurance Plan under this authority.

During the year 1970 a new Health Insurance Commission was announced by the former Premier the Honourable Mr. John P. Robarts, having as its object the combining of the Ontario Government hospital and medical care Insurance Plans into a single integrated Plan designed to achieve greater administrative efficiency and improved medical and hospital service. This combination will bring together the Ontario Hospital Services Commission, the Health Insurance Registration Board and the Ontario Health Services Insurance Plan. The Chairman Designate is Mr. Stanley W. Martin, and the new Commission has been asked to implement the new programme by July 1, 1972.

A new feature will be a single premium for health insurance. It is the intention also to adopt the social insurance number to provide a uniform numbering system as soon as practicable. An active programme is in progress to meet the undertakings given by the Government, and a time schedule has been laid down in order to meet the requirements of the new system and its introduction by the due date. The changes involve many complexities in administrative detail, but when achieved will unquestionably contribute significantly to public convenience and understanding of the total Provincial Health Plan.

At the request of Treasury the Commission prepared a forecast of its requirement for funds to operate the Hospital Plan over the next five years, after careful appraisal and analysis of the economic trends. This principle of operating within an approved five-year projection of costs is in keeping with the intent and purposes of the Committee on Government Productivity.

In the light of the financial restraints, it has been necessary for the Commission to establish a list of priorities for hospital development during the five-year period and to bring hospitals on line with their projects according to this plan of development.

The policy of global budgeting, introduced in 1969, is continuing. Under this system each hospital is assigned a sum of money which it may use for the purposes of implementing the programme reflected in its budget. While the approved budget formulates a definite programme of expenditure, the Commission does not take exception to changes from the budgeted method of spending which the hospital may decide to institute during the year, provided that substantially the proposed programme of service is carried out and the total amount of money is not overspent.

During 1970 a programme of financial incentives for hospitals was introduced together with budgeting on a global basis. The intent of the incentive programme is to provide a financial reward to the hospital which is able to improve upon expected results by making the operation more efficient. There has been considerable interest in the incentive plan and some hospitals have used it, but it is too early to evaluate the effect that its influence may have on future costs. The Commission is encouraging its use and will evaluate its implementation carefully.

INSURED POPULATION

There was an estimated 7,633,524 insured persons in Ontario on December 31, 1970. This is a 3.3 percent increase over the 7,387,460 insured persons at the end of 1969. Participants in the Plan represent more than 99 percent of the total Provincial population eligible for hospital insurance. The following table shows the distribution of those insured by insurance categories.

	Number in Plan ¹		Percentage Increase or (Decrease)
	1970	1969	1970/69
Insured through groups			
(a) Payroll deductions and co-operatives	5,341,183	5,239,797	1.9
(b) Public welfare ²	255,347	240,036	6.4
(c) Other welfare ³	63,975	55,073	16.2
Insured directly through certificate holders	1,771,225	1,724,222	2.7
Hospital indigents ⁴	201,794	128,332	57.2
TOTAL	7,633,524	7,387,460	3.3

A marked increase in the percentage (57.2) of hospital indigents occurred in 1970 which contrasts sharply with the 12.0 percent decrease reported in 1969. The increase in the indigent and welfare categories reflects the effects of the high rate of unemployment.

VOLUME OF HOSPITAL SERVICE

In-Patient

The table below compares for the past three years the number of admissions and days of care per 1,000 eligible population. Shown also is a comparison of the average length of stay for patients separated during each of the past three years.

Level of Care	Public and Private Hospitals ⁵								
	Total Admissions Per 1,000 Population ⁶			Total Days of Care Per 1,000 Population ⁶			Average Length of Stay		
	1970	1969	1968	1970	1969	1968	1970	1969	1968
Active treatment including									
Psychiatric	162	155	151	1,595	1,588	1,586	9.8	10.3	10.5
Convalescent Care and									
Rehabilitation	1	1	1	44	45	44	43.4	45.6	48.5
Chronic Care	2	2	1	345	345	348	201.5	225.6	238.1
All levels of care	165	158	153	1,984	1,978	1,978	11.9	12.5	12.8

It can be seen from the above table that admissions per 1,000 population continued to increase at the active treatment care level but have remained constant for the past two years for chronic care, and for the past three years for convalescent care. Total days of care per 1,000 population for all levels of care increased by 4.4 percent in 1970 over 1969 with all of the increase occurring at the active care level since 1969. Total days of care per 1,000 population for the chronically-ill has remained constant but decreased by one for patients requiring convalescent care.

The overall average length of stay continued to decline in 1970, decreasing to 11.9 days. The most substantial decrease of 24.1 days, or 10.7 percent, occurred at the chronic care level.

¹ All figures shown except hospital indigents are based on the Department of National Health and Welfare's estimate of the average number of persons in a family which was 2.493 in 1969 and 2.492 in 1970.

² Insured by the Ontario Department of Social and Family Services.

³ Includes provincial and municipal indigents, persons on relief rolls, wards of Children's Aid Societies and patients in mental institutions and tuberculosis sanatoria who did not insure themselves under the Plan, as they are insured by the Province of Ontario.

⁴ Uninsured residents admitted to hospital who were or became indigents and for whom the municipality or province paid a statutory rate.

⁵ Including temporarily approved nursing homes.

⁶ Eligible population is defined to be the total population (7,637,000) less armed forces personnel, members of the R.C.M.P. and inmates of Federal penal institutions (36,000). Population figures are quoted as of June 1 and based on 1970 Dominion Bureau of Statistics' estimates.

Out-Patient

The cost of providing various out-patient services continued to increase as illustrated by the table below. The overall cost in 1970 increased by 34.5 percent over the previous year. This rate of increase, however, was the lowest recorded in the past three years.

	1970	1969	Percentage Increase or (Decrease)
Cost of Out-Patient Services			
Emergency, follow-up and other services	\$30,468,244 ¹	\$21,795,700	39.8
Therapy Services	3,669,610	2,813,715	30.4
Private Physiotherapy	3,102,943	3,080,384	0.7
Rehabilitation Services	1,268,277	937,959	35.2
TOTAL	\$38,509,074	\$28,627,758	34.5

It can be seen that the highest increase of 39.8 percent continued to occur for emergency, follow-up and other services with the second highest increase of 35.2 percent being for rehabilitation services. A fairly substantial increase of 30.4 percent for all therapy services given in hospital can also be noted; these services include radio therapy, physiotherapy, occupational therapy and speech therapy.

Ambulance Service

The Ambulance Act 1968-69 was proclaimed in force January 29, 1970. During the year the development of the provincial ambulance service was highlighted by the opening of new services in remote areas of northern Ontario such as Atikokan, Ear Falls, Nester Falls, Rainy River, Virginia-town and Noelville.

In 1970 a total of 214 ambulance services operated throughout the Province. These consisted of 82 hospital, 15 municipal, 106 private and 11 volunteer operated services which utilized a total of 391 ambulances. The number of patients transported on land exceeded 300,000 in 1970 while the number of air transfers was 347. The latter represented an increase of 110.3 percent over the number of air transfers in 1969.

Training of ambulance services personnel continued to play an important part during 1970. By the year's end, the number of persons who had been trained to qualify for the Casualty Care Certificate since October, 1967, had reached 1,000 persons.

HOSPITAL PLANNING

Hospital Construction

In 1970, 1,346 beds and 166 nursery bassinets were made available as a result of hospital construction projects completed during the year. Also completed were 842 beds in student nurses' residences. At the end of 1970, 24 major projects were under construction. These projects have been designed to provide 3,328 hospital beds, 247 nursery bassinets and 681 beds in residences.

¹ Emergency, follow-up and other services out-patient costs of \$30,611,274 less third party recoveries of \$143,030.

	Adult and Child Beds			Newborn Bassinets	Accommodation for Student Nurses
	Active Treatment	Convalescent	Chronic		
New beds completed in 1970 (gross)	1,288	....	58	166	842
Beds under construction	3,082	....	49	247	681

Hospital Accommodation

At the end of 1970, a total of 48,923 rated beds were available in public and private hospitals. This represented an increase of 2.0 percent over the 47,979 available at the end of 1969.

The ratio of beds available per 1,000 eligible population was 6.6 for all levels of care, including Federal Hospitals and Nursing Stations at the end of 1970. This reflected a net increase of 885 beds or 1.8 percent from the previous year-end.

The following table indicates the rated beds available for each level of care, both in total and as a ratio per 1,000 population for 1970. Also shown are the net and percentage increases or decreases in beds from 1969.

Type of Bed	Total Rated Bed Capacity at Dec. 31, 1970	Beds Per 1,000 Eligible ¹ Population	Net Increase or (Decrease) in Beds 1970/69	Percentage Increase or (Decrease) in Beds 1970/69
Public and Private Hospitals				
Active Treatment	38,205	5.0	685	1.8
Psychiatric	1,641	0.2	118	7.7
Convalescent Care	852	0.1	(11)	(1.3)
Rehabilitation Services	286	....	0	0.0
Chronic Care	7,939	1.1	152	2.0
All levels of care	48,923	6.4	944	2.0
Federal Hospitals and Nursing Stations				
All levels of care	1,266	0.2	(59)	(4.5)
TOTAL, all levels of care	50,189	6.6	885	1.8

Hospital Planning Councils

During 1970 the number of hospital planning councils increased by 27.3 percent over 1969 with 28 councils having been formed by the end of 1970. The main functions of these councils are:

- to advise hospitals, governments and other groups interested in hospitals, in matters of hospital planning, development, coordination and capital financing;
- to review the needs and characteristics of their area;
- to actively assist in the creation of a master plan of hospital development for the area;
- to attempt to identify the role of each of its member hospitals which may include a designation of what services should be provided in each hospital;
- to assist in determining priorities.

As an aid to the formation of hospital councils the Commission has developed a model set of by-laws for their guidance. No council has to accept these as their own but they form a good base from which to start and are set up in such a way that it is easy to make modifications or amendments to them.

¹ See footnote 6, page 4.



McMASTER UNIVERSITY MEDICAL CENTRE
HAMILTON, ONTARIO



UNIVERSITY HOSPITAL, UNIVERSITY OF WESTERN ONTARIO
LONDON, ONTARIO

Educational and Training Facilities

Health Science Centres

In 1964, the Provincial Government announced a programme of financial assistance to encourage the building and development of medical and dental teaching facilities. In pursuance of this policy, the Provincial Government approved Ontario Regulation 213/67 under The Public Hospitals Act in which it accepted responsibility for the full cost of construction and equipping hospital facilities to be used for teaching, and research institutes affiliated with teaching hospitals. Through the Department of University Affairs, the Provincial Government had already assumed responsibility for the full cost of construction of medical and dental schools to be operated by universities.

In 1966, the Federal Government passed an Act providing for the establishment of a Health Resources Fund to assist the provinces in the acquisition, construction and renovation of health training facilities and research institutions. While the Provincial Government pays the full cost of these projects as construction progresses, it recovers up to fifty percent of the cost from the Health Resources Fund.

In 1969, the Provincial Government announced the Ontario Health Resources Development Plan and all payments to teaching hospitals or to university-based health teaching facilities are being made from this fund.

This capital programme is an extremely large one involving five universities with health sciences centres, nearly two dozen major hospitals and many other related institutions. It will be phased over a period of ten years and the capital cost is likely to exceed \$600 million. Of this amount about \$200 million will be required for on-campus development, with most of the remainder being allocated to the teaching-hospital complex. These teaching hospitals form the core of our health system and will serve as focal points for regional development. Money will also be provided for the start-up equipment required for research, education and service in these institutions.

Construction is well advanced on the McMaster University Medical Centre at Hamilton and the University Hospital at London. It is anticipated that both facilities will be in full operation by the Fall of 1972. The Toronto Institute of Medical Technology is also under construction now and it will be ready to receive students in 1972. Small projects are underway at the Toronto, Kingston and Ottawa centres but development of major construction programmes has taken longer than expected due to difficulties in establishing priorities at each of these centres.

Nursing Education

There were 75 schools of nursing operating in Ontario at the end of 1970. This was a decrease of 7.4 percent from the 81 operating at the end of 1969 and resulted from the phasing out of 6 Hospital Schools in favour of increased enrollment in the 21 Regional Schools operating at the end of 1970. The capital costs of these Regional Schools are met by the Provincial Government which later recovers part of the cost from the Federal Government, while the costs of the related residence facilities are paid by Provincial grants and by long-term financing repayable through approved operating costs of the schools. At present they offer a course of training consisting of two years' education followed by a third year of learning experience in clinical areas in one of the affiliated hospitals. At the end of this third year, diplomas are awarded and the student is then ready to write the registration examinations.

In addition to the 68 Regional and Hospital Schools sponsored by the Commission there were 8 schools in universities, 3 in Ontario Psychiatric Hospitals, one in a polytechnical institute and one in a college of applied arts and technology.

Hospital Grants and Loans

For community hospitals and for non-teaching portions of university-affiliated teaching hospitals, the Province of Ontario accepts responsibility for two-thirds of the approved cost, which includes the cost of necessary basic equipment.

Part of the Provincial assistance is in the form of a grant and the remainder of the Province's two-thirds share is a loan. This loan is made at the rate of 3 percent per annum, with the hospital being required to pay towards the annual amortization cost three-eighths of the differential income on semi-private and private beds in the new accommodation. This income is usually insufficient to meet the annual amortization cost and the Province absorbs the amount of any deficit.

Grants for schools of nursing and student nurses' residences are paid on the basis of full cost of the school portion including furnishings, plus a grant of \$3,200 per bed in the residence. The balance of the cost of the residence is borrowed on a long-term basis with the amortization cost being met through the operating budget of the school.

In Ontario Regulation 213/67 regarding capital grants for teaching hospitals, the Province accepts responsibility for the approved cost of university hospitals and of teaching and research facilities forming part of a university-affiliated hospital. Part of the cost is recovered by the Province through the Health Resources Fund.

In Ontario Regulation 283/67, the Province agreed to accept responsibility for the approved cost of a regional rehabilitation hospital, or that part of a hospital which provides special facilities for the medical rehabilitation of patients. To qualify, the hospital is expected to provide a wide range of special services and must be approved by the Commission as a regional rehabilitation centre before becoming eligible for grants on the basis of full cost.

The following table summarizes the amounts the Province has paid in construction grants and loans approved to public hospitals during the last two fiscal years, ending March 31.

	<u>1970/1971</u>	<u>1969/1970</u>
Capital Grants Paid	<u>\$44,603,328</u>	<u>\$33,937,566</u>
Special Grants Paid	<u>744,379</u>	<u>350,000</u>
Total, Grants Paid	<u>\$45,347,707</u>	<u>\$34,287,566</u>
Loans Approved	<u>32,602,546</u>	<u>46,415,713</u>
TOTAL, Grants Paid and Loans Approved	<u>\$77,950,253</u>	<u>\$80,703,279</u>

Central Laundries

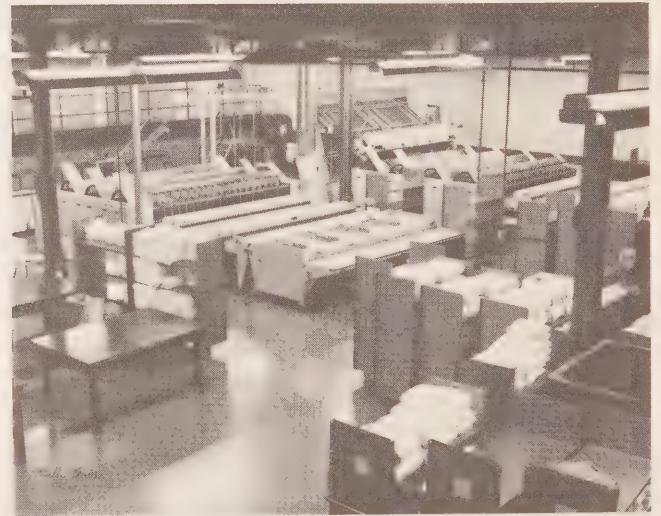
The opening of a central laundry in Sudbury during 1970 increased the number of central laundries operating at the end of 1970 to six. The remaining five central laundries are located in Cornwall, North Bay, Windsor and two in Toronto. The six laundries serve a total of 37 public hospitals. Pictures and comments relating to these operations appear on pages 11 and 12 of this report.

The establishment of central laundries is encouraged by the Commission as another method to help minimize increasing costs and to improve service to hospitals. New laundries are in the planning stage to be located in Peterborough, Hamilton, Kingston and London.

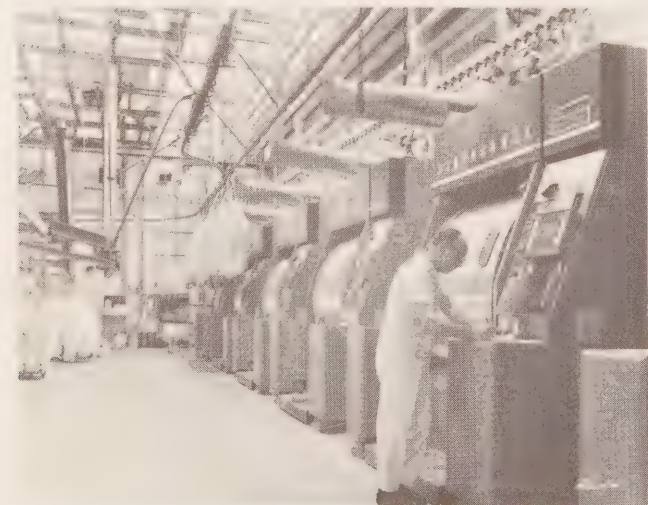
CENTRAL LAUNDRIES FOR

WINDSOR HOSPITAL LINEN SERVICES.

The original concept of this plant cost was \$1,400,000 and designed to process 4 million lbs. of linen per year. The two-storey design creates a staph barrier measure much more effective with a positive ventilation system, minimizing risk of infection spread by dividing the laundry functionally and architecturally into "soiled" and "clean" areas. It also makes possible the use of gravity in several areas, such as chute loading of the washers and soiled linen storage. With some modifications and new production equipment capacity will increase to well over 5,000,000 lbs. of clean linen for 1971.



SUDBURY HOSPITAL SERVICES, officially opened in May, 1971 has a capacity of 5,000 mixed pieces per hour. The transportation of soiled and clean linen is accomplished with a tractor-trailer system, separate trailers are provided for each classification. The soiled trailers remain at the hospitals providing a soiled storage area outside the hospital proper except during the exchange, which takes about one half hour in each twenty-four hour period. This laundry services all hospitals in Sudbury.



CORNWALL REGIONAL HOSPITAL LINEN SERVICE, which opened May 30th, 1969, is equipped to process 2,500 pounds of soiled laundry per hour for a total output of 5 million pounds per year, based on a forty hour work-week. Built and equipped at a cost of \$1,600,000 it serves three hospitals, a regional school of nursing and three smaller institutions. Additional institutions are expected to use the service at a later date. The building covers an area of 25,000 sq. ft. with 18 ft. clear inside height in the laundry area.

THE MODERN HOSPITAL

CENTENNIAL HOSPITAL LINEN SERVICES began operations in July, 1968 as a co-operative venture of twelve Toronto-area hospitals. At present the service launders and finishes some 75 to 80,000 lbs. of soiled linen a day. This volume is handled by a battery of 15 - 400 lb. capacity washer extractors which combine two separate phases of the laundry cycle into a single operation. Approximately 100 production personnel are required to process the yearly load of more than 20 million lbs. of soiled linen. A further increase of some 1.5 million lbs. a year is expected when a thirteenth member hospital begins participation later this year.



BOOTH AVENUE HOSPITAL LINEN INC. started in June, 1968 and is one of the largest central laundries in North America. With up-to-date equipment it is processing 21 million lbs. per year, and supplying 8 downtown Toronto hospitals with total linen service. The highlight of the design is the staph barrier which is achieved with wall separation and positive air pressure in the clean linen area. There is also a unique washer unloading system which permits unloading of washers in twenty seconds.



NIPISSING AREA JOINT HOSPITALS LAUNDRY INC., located in North Bay, was the first central laundry to be built in Ontario. As a pilot project it was designed to process 2 million lbs. per year, ample for the immediate requirements of the Nipissing area. It commenced operations in October, 1967 and reached full capacity in 1970 serving the Civic and St. Joseph's Hospitals in North Bay, Mattawa General Hospital and St. Jean de Brebeuf Hospital, Sturgeon Falls. Proof has been realized from this installation that (small) size does not impair installation.

FINANCIAL OPERATIONS

The annual comparative financial statements of the Commission for the calendar years 1969 and 1970 are shown on the following pages of this report.

Following are some of the important features:

1. **Expenditure — Insured Services — Hospitals and Related Facilities**

The expenditure incurred for insured hospital services in 1970 was \$755,751,626. This represents an increase of 12.5 percent over the comparable amount for 1969 of \$671,603,387. The increase includes the operating costs of new beds and services as well as the additional operating cost of existing facilities. This compares with an increase of 18.1 percent in 1969 over 1968.

2. **Administrative Costs**

The net administrative expenses of the Commission for 1970 were \$5,893,725 which represents 0.8 percent of the overall cost of the Plan. \$4,103,584 or 69.6 percent, was for salaries and wages. The Commission employed a total of 425 persons at December 31, 1970 as compared with a total of 411 persons at December 31, 1969.

3. **Premium Income and Government Contributions**

Premium income in 1970 totalled \$295,190,926 as compared to \$284,850,125 in 1969. The increase of \$10,340,801 results from population growth in Ontario.

The Government of Canada contribution to the Hospital Insurance Plan for 1970 is estimated to be \$357,275,522. The amount was calculated on the formula contained in the Federal Provincial Agreement and may require minor modification when the national per capita cost is established from audited figures.

Assistance by the Government of Ontario to the Hospital Insurance Plan administered by the Commission in 1970 was \$113,374,157. In addition, expenditures totalling \$220,502,283 were made by the Province for mental and tuberculosis care, and for special and capital grants and loans. A summary of the combined operations of all classes of hospitals is shown on Page 22 in the Schedule of Total Financial Assistance for Hospital Care and Related Services.

4. **Assets and Liabilities**

The Comparative Statement of Assets and Liabilities shows the financial position of the Commission as at December 31, 1970 and 1969.

Deferred income of \$79,647,570 at December 31, 1970 refers to premiums paid in advance for coverage in subsequent months. The funds obtained from these premium pre-payments were used as working capital to pay hospitals for their costs until the Commission was reimbursed by the Federal and Provincial Governments for their shares of hospital costs.

At December 31, 1970, it was estimated that \$8,500,000 was due to the Commission from third parties. This amount represents the estimated portion of hospital costs paid by the Commission that are recoverable from third parties responsible for the hospitalization of insured persons.

Unpaid hospital costs at December 31, 1970 amounted to \$51,418,345. In large part, this amount was owing to public hospitals and is the difference between the allowable costs incurred by hospitals for 1970 and the semi-monthly advances based on approved budgets and operating statements. A further advance is given shortly after the year-end and a final settlement made when the hospital's audited financial statements are reviewed by the Commission and allowable costs ascertained.

G. H. SPENCE B.A., F.C.A.
PROVINCIAL AUDITOR

W. S. GROOM, B.A., M.B.A., C.A.
ASST. PROVINCIAL AUDITOR



ADDRESS ALL COMMUNICATIONS
TO THE PROVINCIAL AUDITOR
PARLIAMENT BUILDINGS, TORONTO

TEL.:

OFFICE OF PROVINCIAL AUDITOR

AUDITOR'S REPORT

To the Chairman and Members of the
Ontario Hospital Services Commission,
2195 Yonge Street,
Toronto, Ontario.

I have examined the statement of assets and liabilities of
the Ontario Hospital Services Commission as at December 31, 1970
and the statement of expenditure, income and government contributions
for the year then ended. My examination included a general review of
the accounting procedures and such tests of accounting records and
other supporting evidence as I considered necessary in the circumstances.

In my opinion these financial statements present fairly the
financial position of the Commission as at December 31, 1970, and
the results of its operations for the year then ended, in accordance
with generally accepted accounting principles applied on a basis
consistent with that of the preceding year.

Toronto, Ontario
July 5, 1971

W. S. Groom C.A.
Asst. Provincial Auditor

ONTARIO HOSPITAL SERVICES COMMISSION
STATEMENT OF ASSETS AND LIABILITIES
December 31, 1970

(with comparative figures at December 31, 1969)

	1970	1969
ASSETS		
Premiums of the current year subsequently received	\$ 18,206,537	\$ 18,497,324
Short term investments — at cost which approximates market	3,988,220	4,500,000
Receivable from Government of Canada	48,982,827	47,610,371
Receivable from Province of Ontario	52,825,790	51,527,001
Estimated hospital costs receivable from other insurers	8,500,000	7,000,000
Other receivables and prepaid expenses	921,809	584,177
	\$133,425,183	\$129,718,873
LIABILITIES		
Accrued costs of hospitals and related facilities	\$ 51,418,345	\$ 50,088,240
Due to Province of Ontario for portion of premiums for improvement of care in Provincial mental institutions	1,774,070	1,611,140
Accounts payable and accrued liabilities	585,198	552,584
	53,777,613	52,251,964
Deferred income — premiums applicable to insured services in subsequent months	79,647,570	77,466,909
	\$133,425,183	\$129,718,873

Approved:



Chairman



Commissioner of Finance

Note: At December 31, 1970 the Commission, on behalf of the Province of Ontario, had made capital construction loans to hospitals totalling \$102,768,729. The funds for these loans were provided by the Province of Ontario, and all interest and principal received by the Commission will be remitted to the Province of Ontario.

**ONTARIO HOSPITAL SERVICES COMMISSION - STATEMENT OF
EXPENDITURE, INCOME AND GOVERNMENT CONTRIBUTIONS
for the year ended December 31, 1970**

(with comparative figures for the year ended December 31, 1969)

	1970	1969
EXPENDITURE		
Hospitals and related facilities:		
Cost of insured services ¹	\$761,190,391	\$676,725,366
Costs recovered from others	(5,438,765)	(5,121,979)
	755,751,626	671,603,387
Operating expenses:		
Salaries	4,103,584	3,616,441
Rentals, postage, printing and other administrative ex- penses	1,843,532	1,981,931
Expenses recovered from health grants and from supple- mentary carriers of hospital insurance	(53,391)	(50,837)
	5,893,725	5,547,535
Total expenditure	\$761,645,351	\$677,150,922
INCOME		
Premiums for insured services	\$295,190,926	\$284,850,125
Less portion of premiums paid to the Province for im- provement of care in Provincial mental institutions	5,367,108	5,179,093
	289,823,818	279,671,032
Income from investments	1,171,854	1,056,026
	290,995,672	280,727,058
GOVERNMENT CONTRIBUTIONS		
Government of Canada	357,275,522	315,115,316
Province of Ontario	113,374,157	81,308,548
	470,649,679	396,423,864
Total income and government contributions	\$761,645,351	\$677,150,922

¹ The cost of insured services, and the related recoveries from the Governments of Canada and Ontario, have been estimated on the basis of information supplied by individual hospitals. The effect of any adjustment arising from a further review of these costs by the Ontario Hospital Services Commission is not expected to be material, in relation to the overall cost of insured services.

ONTARIO HOSPITAL SERVICE COMMISSION EXPEND

	1970	1969	1968	1967
Hospital and Related Facilities:				
Cost of Insured Services	\$761,190,391	676,725,366	573,082,443	469,725,512
Costs Recovered from Others	(5,438,765)	(5,121,979)	(4,627,830)	(3,832,171)
	<u>755,751,626</u>	<u>671,603,387</u>	<u>568,454,613</u>	<u>465,893,341</u>
Operating Expenses:				
Salaries	4,103,584	3,616,441	3,132,532	4,824,282
Rentals, postage, printing and other administrative expenses	1,843,532	1,981,931	1,921,188	2,555,895
Expenses recovered from health grants and carriers of supplementary hospital insurance	(53,391)	(50,837)	*(151,811)	(714,635)
	<u>5,893,725</u>	<u>5,547,535</u>	<u>4,901,909</u>	<u>6,665,542</u>
TOTAL EXPENDITURE	<u><u>\$761,645,351</u></u>	<u><u>677,150,922</u></u>	<u><u>573,356,522</u></u>	<u><u>472,558,883</u></u>

*Health Insurance Registration Board assumed responsibility, January 1, 1968, for collection of major portion of these recoveries.

URE FOR THE TEN YEARS 1961 TO 1970 INCLUSIVE

1966	1965	1964	1963	1962	1961
396,068,804	347,691,263	308,083,022	275,675,022	245,761,996	216,606,486
(3,475,810)	(2,638,898)	(2,343,062)	(1,795,570)	(1,318,946)	(1,793,546)
392,592,994	345,052,365	305,739,960	273,879,452	244,443,050	214,812,940
4,214,591	3,897,385	3,740,263	3,829,081	3,866,139	3,802,042
2,491,142	2,395,215	2,295,078	2,222,245	1,715,172	1,777,045
(690,307)	(609,521)	(570,506)	(434,874)	(382,345)	(338,945)
6,015,426	5,683,079	5,464,835	5,616,452	5,198,966	5,240,142
398,608,420	350,735,444	311,204,795	279,495,904	249,642,016	220,053,082

VOLUME OF HOSPITAL CARE

GENERAL INFORMATION	ALL HOSPITALS	PUBLIC				
		Active Treatment		Convalescent		Chronic
		Public General Hospitals (1)	Red Cross Outposts	Hospitals	Units of Hospitals	Hospitals
Number of Hospitals or Units in Operation during 1970		191	13	6	5	17
Rated Bed Capacity as at December 31, 1970						
Adults and Children	50,189	39,033	189	630	222	3,232
Bassinets	6,235	6,059	93	....	.....	.....
Percentage of Bed Occupancy						
Adults and Children	84.3	83.6	62.9	77.7	86.5	97.2
Nursery	42.0	42.7	9.1	....	.....	.....
Average Number of Adults and Children in Hospital Daily	42,306	32,646	119	489	192	3,141
Average Length of Stay of Discharges and Deaths						
Adults and Children	12.0	9.8	6.5	35.4	71.3	289.7
Newborn	7.0	7.0	5.6	....	.....	.....
Admissions						
Adults and Children	1,270,516	1,213,151	6,850	5,003	945	3,750
Newborn	136,369	134,757	548	....	.....	.....
Total	1,406,885	1,347,908	7,398	5,003	945	3,750
Discharges and Deaths						
Adults and Children	1,269,879	1,212,645	6,854	4,942	971	3,684
Newborn	136,154	134,535	551	....	.....	.....
Total	1,406,033	1,347,180	7,405	4,942	971	3,684
Patients Treated During 1970						
Adults and Children	1,306,621	1,240,115	6,944	5,456	1,135	6,854
Newborn	138,690	137,040	555	....	.....	.....
Total	1,445,311	1,377,155	7,499	5,456	1,135	6,854
Total Days' Stay Since Admission of Discharges and Deaths						
Adults and Children	15,289,289	11,938,881	44,410	175,162	69,185	1,067,074
Newborn	953,678	942,571	3,091	....	.....	.....
Total	16,242,967	12,881,452	47,501	175,162	69,185	1,067,074
Days of Care Given in 1970						
Adults and Children	15,441,865	11,915,885	43,406	178,600	70,090	1,146,569
Newborn	954,917	943,891	3,092	....	.....	.....
Total	16,396,782	12,859,776	46,498	178,600	70,090	1,146,569

(1) Includes York-Finch General Hospital, Downsview which opened February 15, 1970; London Health Association (Sir Adam Beck Memorial Sanatorium - Chest Disease Unit) London, which opened May 1, 1970.

(2) New units for the chronically-ill were opened at Peel Memorial Hospital, Brampton, October 21, 1970; Cobourg District General Hospital, Cobourg, November 26, 1970; The Willett Hospital, Paris, May 15, 1970.

GIVEN IN ONTARIO, 1970

OSPITALS					PRIVATE HOSPITALS			FEDERAL HOSPITALS AND NURSING STATIONS TOTAL (3)	NURSING HOMES TEMPORARILY APPROVED FOR CHRONIC CARE (4)
Chronic	Psychiatric	Rehabilitation		TOTAL (Public)	Active	Chronic	TOTAL (Private)		
Units of Hospitals (2)		Hospitals	Units of Hospitals						
84	2	2	4	.....	14	20	34	11	31
3,611	251	155	131	47,454 6,152	373 58	500	873 58	1,266 25	596
85.0	87.2	90.6	82.0	84.6 42.2	61.8 19.9	96.8	81.9 19.9	73.8 40.9	89.7
3,069	219	141	108	40,124	230	484	714	934	534
141.2	35.4	53.8	44.8	11.7 7.0	5.8 7.4	413.0	18.0 7.4	25.5 7.7	248.7
7,447	2,321	999	893	1,241,359 135,305	14,355 575	445	14,800 575	13,703 489	654
7,447	2,321	999	893	1,376,664	14,930	445	15,375	14,192	654
7,428	2,348	1,019	896	1,240,787 135,086	14,371 577	446	14,817 577	13,664 491	611
7,428	2,348	1,019	896	1,375,873	14,948	446	15,394	14,155	611
10,409	2,547	1,116	988	1,275,564 137,595	14,514 589	930	15,444 589	14,455 506	1,158
10,409	2,547	1,116	988	1,413,159	15,103	930	16,033	14,961	1,158
1,048,625	83,216	54,852	40,155	14,521,560 945,662	83,216 4,258	184,212	267,428 4,258	348,374 3,758	151,927
1,048,625	83,216	54,852	40,155	15,467,222	87,474	184,212	271,686	352,132	151,927
1,120,273	79,846	51,242	39,217	14,645,128 946,983	84,082 4,206	176,738	260,820 4,206	340,829 3,728	195,088
1,120,273	79,846	51,242	39,217	15,592,111	88,288	176,738	265,026	344,557	195,088

(3) Includes Nursing Stations at New Osnaburgh and Round Lake which opened March 1, 1970 with 4 beds each. The number of beds at Westminster Hospital, London, were reduced from 657 to 615 and Moose Factory General Hospital, Moose Factory from 96 to 71 in 1970.

(4) One additional Nursing Home approved under the Plan.

TRENDS IN PUBLIC HOSPITAL CARE, 1968 To 1970

ALL PUBLIC HOSPITALS IN ONTARIO	YEAR ENDED DECEMBER 31			Percentage Increase or (Decrease)	
	1970	1969	1968		
				1970/69	1969/68
Population insured by O.H.S.C.*	7,633,524	7,387,460	7,273,748	3.3	1.6
Rated Beds	47,454	46,540	45,380	2.0	2.6
Number of Adult and Child					
Admissions	1,241,359	1,146,305	1,089,024	8.3	5.3
Discharges and Deaths	1,240,787	1,145,857	1,087,955	8.3	5.3
Patients Under Care During Year (1)	1,275,564	1,180,061	1,121,712	8.1	5.2
Total Patient Days (Adults & Children)					
of Discharges and Deaths (2)	14,521,560	14,131,301	13,757,502	2.8	2.7
of Care Given During Year (3)	14,645,128	14,151,839	13,797,948	3.5	2.6
Average Length of Stay of Patients Discharged or Died					
Active	9.8	10.3	10.5	(4.9)	(1.9)
Convalescent	41.3	42.5	48.5	(2.8)	(12.4)
Chronic	190.4	215.8	228.7	(11.8)	(5.6)
Psychiatric (4)	35.4	42.4	43.6	(16.5)	(2.8)
Rehabilitation	49.6	59.4	.....	(16.5)	.....
Total	11.7	12.3	12.6	(4.9)	(2.4)
Number of Diagnostic Radiological Examinations (5), (6), (7)					
In-patients	1,395,017	1,328,004	1,215,451	5.0	9.3
Out-patients	2,044,474	1,785,742	1,599,447	14.5	11.6
Total Staff and Employees of Hospitals as at December 31st (5)					
Full-time	93,984	91,797	89,794	2.4	2.2
Part-time	17,368	17,129	15,748	1.4	8.8
Total Paid Hours of Work (5)	200,468,338	195,576,059	194,886,535	2.5	0.4

*Insured population as of December 31st.

(1) Discharges and deaths plus patients in-residence at end of year.

(2) Days since admission (i.e., includes some days from prior year(s) but excludes days of patients in-residence at end of year).

(3) Days of care given during calendar year to discharges and deaths and patients in-residence at end of year.

(4) Refers to Clarke Institute of Psychiatry and Donwood Foundation only. Days for psychiatric units of public hospitals are included with active units as in previous years.

(5) These are unedited data and subject to minor changes. See Table N in the Statistical Supplement to this Report for final figures.

(6) Excludes convalescent, chronic and rehabilitation hospitals.

(7) Excludes screening chest x-ray examinations.

**SCHEDULE OF TOTAL FINANCIAL ASSISTANCE
FOR HOSPITAL CARE
AND RELATED SERVICES
for the year ended December 31, 1970**

EXPENDITURES

Ontario Hospital Services Commission

Hospital and Commission Operating Costs	\$761,645,351	
Payments re Indigents in Unorganized Territories and		
Indigent Immigrants	90,685	
Capital Grants and Loans	<u>60,376,147</u>	\$822,112,183

Department of Health

Mental Health	\$156,251,234	
Tuberculosis Care	<u>3,874,902</u>	<u>160,126,136</u>
TOTAL		<u><u>\$982,238,319</u></u>

INCOME AND GOVERNMENT CONTRIBUTIONS

Premium Income for Insured Services	\$295,190,926
Income from Investments	1,171,854
Government Contributions	
Government of Canada	357,275,522
Province of Ontario	<u>328,600,017</u>
TOTAL	<u><u>\$982,238,319</u></u>



Issued by

Ontario Hospital Services Commission
2195 Yonge Street
Toronto 7, Ontario
Telephone 482-1111

